

**MONTANA BOARD OF HOUSING**  
**MBOH Plus 0% DEFERRED DOWN PAYMENT ASSISTANCE**  
**(DPA) PROGRAM**  
**SUBORDINATE LOAN NOTE**

**DATED:** \_\_\_\_\_, 20\_\_ **NOTE AMOUNT \$** \_\_\_\_\_

**PROPERTY ADDRESS:** \_\_\_\_\_

1. "Borrower" means each person signing at the end of the Note. "Lender" means \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of Montana, and its successors and assigns. "First Lien" means the Superior Note and Deed of Trust executed contemporaneously with this MBOH Plus 0% Deferred DPA Subordinate Loan Note ("Note") and Subordinate Deed of Trust ("Deed of Trust").
2. In consideration for a loan received from Lender, Borrower promises to pay the principal sum of \$ \_\_\_\_\_ Dollars (U.S. \$ \_\_\_\_\_), to the order of Lender, in accordance with the terms of this Note.

**3. TIME OF PAYMENT**

No monthly payments are required under this Subordinate Loan Note. This Subordinate Loan Note shall be due and payable, and Borrower shall make payment in full of the entire principal balance when the property described in the MBOH Plus 0% DEFERRED DPA Subordinate Deed of Trust given by Borrower to Lender as security for this Note is sold or otherwise transferred to another party, at such time as the outstanding loan secured by the First Lien is refinanced, or if not previously paid in full, on the first day of \_\_\_\_\_, 20\_\_ (the "Maturity Date"). If any payment of principal is not paid when due, the Lender, at its option, may declare the whole sum then remaining unpaid herein to be immediately due and payable without notice. A failure to exercise such option in any instance shall not operate as a waiver or estoppel to exercise such option for subsequent delinquencies.

**PLACE OF PAYMENT**

Payment shall be made at \_\_\_\_\_, or at such other place as Lender may designate in writing by notice to Borrower.

**AMOUNT OF PAYMENT**

The full payment of principal payable under this Subordinate Note will be in the amount of \$ \_\_\_\_\_ and such payment will be in addition to any amount that is or may be due or owing under the terms of the First Lien.

4. Borrower acknowledges that this Note is made pursuant to the MBOH Plus 0% Deferred Down Payment Assistance (DPA) Program, and is secured by a Subordinate Deed of Trust, dated the same date as this Note, under which Borrower is Grantor and Lender is Beneficiary, granting to the Lender a lien on the real property described in said Deed of Trust.

5. This MBOH Plus 0% Deferred DPA Program Promissory Note is **not** assumable. Upon any transfer of the Borrower's ownership interest in the property address above and more specifically described in the Deed of Trust securing this Note, all unpaid principal shall immediately become due and payable as provided in Paragraph 3, above.

6. The Borrower may prepay at any time, without premium, fee, or other penalty, the entire indebtedness under this Note. Additional principal reduction payments are payable on the first day of any month.

7. If this Note has been executed by two (or more) persons, the obligations herein are joint and several obligations of each such person.

8. The makers and endorsers of this note severally waive presentment, demand, protest, and notice of protest and of nonpayment of this note and of all installments hereof.

9. If borrower fails to pay within ten (10) days after payment is due or if this Note is otherwise placed in the hands of an attorney for collection, the undersigned agrees to pay all costs and attorney's fees incurred by Lender in collection of this Note, whether suit is commenced or not.

**THIS NOTE IS SECURED BY THE SUBORDINATE DEED OF TRUST EXECUTED BY BORROWERS ON THE PROPERTY DESCRIBED ABOVE.**

\_\_\_\_\_  
**Borrower** (Printed)

\_\_\_\_\_  
**Borrower** (Printed)

*Pay to the Order Of*  
**MONTANA BOARD OF HOUSING**  
*Without Recourse*

By: \_\_\_\_\_

Print Name:

Print Title: